



## **OFFICE OF THE INDEPENDENT INSPECTOR GENERAL**

### **FY2014 Proposed Budget Presentation**

**October 22, 2013 at 11:30**

The proposed budget of the Office of the Independent Inspector General (OIIG) is presented following our 5<sup>th</sup> year of operations. The proposed budget represents a balanced consideration of both the overall fiscal concerns of this County as well as our collective interest in maintaining an effective and independent OIIG.

As you recall, in 2012, the OIIG opened a satellite office on the John H. Stroger, Jr. Hospital campus. The office is staffed full-time by an OIIG investigator. The importance of establishing a physical presence for an agency such as the OIIG is significant to the mission of the office. This “rubber meets the road” philosophy has resulted in an approximate 50% increase in the number of Health and Hospital System complaints filed with this office from 2012 and also has resulted in the initiation of several complex reviews, including the Revenue Enhancement Contract review and DEA Pharmacy Audit reports that were provided to the Board recently.

In 2013, the number of complaints received by this office on the whole has remained steady from 2012. We anticipate more than 500 complaints will be filed by the end of the year. Of those, in addition to the matters opened through the discretionary authority provided to this office, 51 OIIG Investigations and 133 Inquiries have been opened while 67 OIIG reports have been issued thus far in 2013. Of the 67 reports issued following an Investigation, 52 have included sustained findings and recommendations for remedial action and/or the imposition of discipline while 15 required no further action. I believe the percentage of matters involving sustained findings is directly attributable to the administration of

the Inquiry process. This level of review involves a determination of corroborating evidence before a formal OIIG investigation is opened.

In 2013, the OIIG has continued to dedicate a significant amount of its resources to addressing fiscal issues involving waste and/or mismanagement by initiating operational inspections or reviews. For example, in FY 2013, the OIIG has issued reports concerning (1) Cook County's management of surplus and obsolete government property, (2) a follow-up to the Highway Department Operations inspections that focused on eliminating efficiency vulnerabilities and improving procurement procedures in the Transportation and Highway districts, (3) the HHS Revenue Enhancement Contract Review that revealed a vulnerability in vendor revenue projections and HHS budgetary reliance that significantly impacted the FY2011 and FY2012 budgetary shortfalls, and (4) the DEA Pharmacy Audits to name several. Other reviews related to waste and mismanagement in 2013 have included time keeping and leave management, Board of Review contributions by practicing attorneys, Statement of Economic Interest compliance reviews and the Forest Preserve District Site Inspections review.

In addition to recommendations supporting a change in policy or practice, the OIIG has also proposed legislation to address issues we have encountered in our work. For example, in 2013, the OIIG has offered proposed amendments to the OIIG Ordinance to specifically authorize enforcement in the Circuit Court of subpoenas when a party fails to comply and to the Human Resources' Ordinance to address Veterans' preference issues. Also in 2013, the Illinois Legislature enacted a new provision known as the Illinois Local Government Appointee Ethics Act (5 ILCS 430/70-20) that extends both Cook County Board of Ethics and OIIG jurisdiction to state boards and commissions that include Cook County executive appointments. This enactment was the product of the OIIG Northfield Woods Sanitary District investigation in April of 2012.

In addition to the conduct of reviews focusing on operational efficiencies, the OIIG dedicates substantial investigative resources to issues involving potential corruption, fraud and official misconduct. While the monetary costs related to these issues are often less apparent than the results of an operational review, their fiscal impact to county operations is significant. Moreover, the intangible benefits that are born by the conduct of these forms of investigations are extremely valuable

in building a public trust in government and supporting employee morale. In 2013, two OIIG investigations conducted jointly with state and federal agencies went to trial. These matters involved an investigation into a series of fraudulent County contracts involving a former Deputy Chief of Staff and a former Director of the Department of Public Affairs and Communication. One of the officials was convicted of theft and money laundering this August after a trial in state court. The other official was tried before a federal court jury and was found guilty last month on three counts of wire fraud and four counts of bribery.

As a result of the vulnerabilities discovered in our investigation, this office also recommended several amendments to the Procurement Code in an effort to prevent sham contract schemes involving no-bid, sole source contracts. Those proposed amendments were adopted with input and support from the current administration and were enacted into law by the Board of Commissioners. Now all service contractors under “sole source” contracts must submit itemized records indicating the dates that services were provided, a detailed description of the work performed on each such date, and the amount of time spent performing work on each such date before payment is issued by the Comptroller’s Office.

In May 2013, the U.S. District Court approved the OIIG Employment Plan. Upon approval of the Employment Plan, this office initiated the process of filling five vacant Investigator positions within the OIIG. This staffing effort was important to support the OIIG’s monitoring and investigative responsibilities related to the *Shakman* litigation as well as the overall mission of the office. This office considered approximately 200 applicants during the process. Each of the newly appointed Investigators will be in place in the coming weeks.


The 2013 proposed budget includes two important budgetary initiatives. First, the OIIG plans to initiate a substantive change in the interview process that will involve the recording of subject interviews. The process is currently utilized by other inspector general offices in Chicago and Illinois where it has proven to be highly effective. The allocation of \$55,000 will fund the OIIG’s initiative and permit the transcription of approximately 100 witness interviews. We believe this initiative represents a “best practice” for a professionalized IG office.

The second budgetary initiative involves a capital request to acquire a case management system for the office. In close consultation with the Bureau of Technology, an RFP has been prepared and is designed to acquire a system that will significantly enhance core functions of the OIIG. These objectives include the automation of case handling by investigators, information maintenance and retrieve ability, security measures and the capacity to create statistics for research analysis.

In connection with 2013 OIIG activities in support of Cook County and the Recorder's *Shakman* related goals, this office continues to interact on a daily basis with the Compliance Administrators' Offices. In August of this year, the *Shakman* Complaint Administrator concluded operations pursuant to the District Court's order and transferred all remaining matters to this office for further handling. In addition to addressing these matters, the OIIG continues to receive and investigate Post-SRO claim filings for Cook County and the Recorder's Office, Political Contact Logs (127 since April 2011) and conducts investigations related to unlawful political activity. In anticipation of the sunset of the Supplemental Relief Order, this office has dedicated additional staff to *Shakman* related duties, including the increase of monitoring of employment actions. Finally, the OIIG also continues to dedicate substantial resources to employee training (30 sessions) and Forest Preserve District oversight following its dismissal from the *Shakman* litigation.

Finally, please note that the proposed OIIG budget recognizes the anticipated reimbursement from the Forest Preserve District for OIIG services rendered in the approximately \$70,000.

Thank you for your consideration to the OIIG 2014 proposed budget.

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Independent Inspector General